



Title: Title I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 10–11, North Dakota State Income Tax Withholding

Date: January 15, 2010

To: Holders of TAXES (State of North Dakota only)
Personnel User Groups
T&A Contact Points in North Dakota

Beginning with wages paid for Pay Period 4, the National Finance Center (NFC) will make the following changes to the state of North Dakota income tax withholdings:

- The Single or Head of Household and Married withholding tables will change.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page (www.nfc.usda.gov) and click the **Publications** link at the top of the page. At the Publications page right-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630** or the EmpowHR Help Desk at **1-888-367-6955**

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North Dakota State Income Tax Information

State Abbreviation:	ND
State Tax Withholding State Code:	38
Acceptable Exemption Form:	None
Basis For Withholding:	Federal Exemptions
Acceptable Exemption Data:	None
TSP Deferred:	Yes
Special Coding:	None
Additional Information:	A state tax certificate is not required since Federal exemptions are used in the computation of the state formula.

Withholding Formula ►(Effective Pay Period 4, 2010)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes dental and vision insurance program, and flexible spending account – health care and dependent care deductions) from the amount computed in Step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the annual wages to compute taxable income:

$$\text{Exemption Allowance} = \$3,650 \times \text{Number of Exemptions}$$

6. Apply the taxable income computed in step 5 to the following table to determine the annual North Dakota income tax withholding:

Tax Withholding Table				
Single or Head of Household				
If the Amount of Taxable Income Is:		The Amount of North Dakota Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ 3,800	\$ 0.00	plus 0.00%	\$ 0
3,800	36,000	0.00	plus 1.84%	3,800
36,000	76,000	592.48	plus 3.44%	36,000
76,000	173,000	1,968.48	plus 3.81%	76,000
173,000	►376,000	5,664.18	plus 4.42%	173,000
376,000	and over	14,636.78	plus 4.86%	376,000 ◄

If the Amount of Taxable Income Is:		Married The Amount of North Dakota Tax Withholding Should Be:				Of Excess Over:
Over:	But Not Over:					
\$ 0	\$ 9,300	\$ 0.00	plus	0.00%		\$ 0
9,300	64,000	0.00	plus	1.84%		9,300
64,000	122,000	1,006.48	plus	3.44%		64,000
122,000	217,000	3,001.68	plus	3.81%		122,000
217,000	▶ 381,000	6,621.18	plus	4.42%		217,000
381,000	and over	13,869.98	plus	4.86%		381,000 ◀

7. Divide the annual North Dakota income tax withholding determined in step 6 by 26 and round to the nearest dollar to obtain the biweekly North Dakota income tax withholding.